

SB 261  
Public Hearing: 1-27-21

TO: MEMBERS OF THE TRANSPORTATION COMMITTEE  
FROM: BILL SCALZI, PRESIDENT - M7 TAXI  
DATE: JANUARY 27, 2021

**RE: OPPOSITION TO SECTION 8 OF S.B. 261 AN ACT CONCERNING  
RECOMMENDATIONS BY THE DEPARTMENT OF MOTOR VEHICLES.**

M7 is in strong opposition to the proposal by the Department of Motor Vehicles to increase the minimum insurance required to be carried by taxicabs.

Of particular concern is the proposed 500% increase on the limits necessary to operate a taxicab. Any increase is both unnecessary and has the potential to force even more taxicab companies, particularly the one or two cab operations, out of business. In fact, since the Department published the idea last year M7 has reached out to its insurer and been unable to procure a financially feasible policy for its fleet with the new limits.

The proposal tries to compare the limits set on Transportation Network Vehicles (TNC's) to those set on taxicabs. This is not a proper comparison because the vast majority of time that a TNC is on the road it is only covered by the driver's personal automobile coverage. It is only when a passenger gets in that the higher limit is in effect, and even then it is not the owner of the vehicle or driver that has to carry the insurance, but the unaffiliated transportation network company. Taxicabs are subject to numerous restrictions and mandates that TNC's are not restricted by. Taxicabs must pick up any and all passengers requesting rides in their territory and are not free to redline or exclude riders from their taxicab or booking platform.

In contrast taxicabs must carry coverage twenty-four hours a day, regardless if a passenger is present. There is no available market to provide a taxicab with off/on insurance. In fact, a national compromise had to be reached between the insurance and TNC industries in order for them to be able to procure such policies. When Connecticut's TNC statute was passed the bill originated in the Insurance Committee, and an entire section was dedicated just to codifying the national model that had been agreed to by the industries. Without such a similar in depth look into this issue it will be impossible for taxicab companies in Connecticut to meet the proposed requirements.

Taxicabs are some of the most regulated, inspected vehicles on the roadways with drivers who have passed national fingerprint background checks. There is no outcry that would necessitate this potentially industry killing proposal.

We thank you for your consideration and urge removal of section 8 from SB 261.